



FY 2005 Performance Contract

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Mission: The National Institutes of Health uncovers new knowledge that will lead to better health for everyone by improved prevention, diagnosis and treatment of disease and disability. NIH works towards this mission by conducting and supporting research, training research investigators, and fostering communication of medical information.

Through this Performance Contract, I hereby commit to clear and measurable goals to be achieved during FY 2005 and beyond:

“One HHS” End-Outcome Goals NIH Contributes To:

1. Emphasize preventive health measures (Preventing Disease and Illness)
2. Prepare for and effectively respond to bio-terrorism and other public health emergencies (Protecting our Homeland)
3. Improve health outcomes (Preventing Disease and Illness)
4. Improve the quality of health care (21st Century Health Care)
5. Advance science and medical research (Improving Health Science)

Intermediate Outcomes I Pledge to Achieve During 2005:

Provide leadership for the national biomedical research effort by implementing the NIH roadmap.

Continue to provide oversight to an improved NIH program for ethics; conflicts of interest; and all other financial management activities at NIH.

Continue implementation of innovative clinical research plans in the Intramural Research Program in FY 2005.

Continue to increase biodefense research capacity in academia, industry, and other research institutes with emphasis on the development of vaccines, therapeutics and diagnostic tools as countermeasures against the use of infectious agents for bioterrorism.

Provide leadership for the NIH to address scientific opportunities related to the genetic, behavioral and environmental factors underlying obesity, as well as the pathogenesis of obesity and its comorbidities, and other areas of research relevant to developing and testing approaches for obesity prevention and treatment.

Advance electronic research administration at the HHS by extending the eRA system capabilities to satisfy the information requirements associated with HHS extramural activities.

Continue to implement NIH-wide communication plan to translate research results to the public.

Improve efficiency, effectiveness, and accountability of research facility planning and development services.

Improve benefits and institutional support for NIH-supported trainees, including postdocs.

Promote technology transfer.

Utilize the NIH governance structure to facilitate more efficient, responsive decision-making, improved facilities and infrastructure planning, and budget management.

Provide leadership for cross-cutting research areas such as neuroscience by enhancing coordination and planning for research.

Program Outputs Needed for 2005 to Achieve Expected Results

- Involve the Institute and Center Directors in the development of trans-NIH initiatives to address challenges and capitalize on scientific opportunities identified through the Roadmap process.
- Actively further and publicize research, training and infrastructure activities that support NIH Roadmap initiatives.
- Organize a retreat of leadership to discuss processes that lead to innovative research, barriers to innovative research, measurement of success in clinical research, and role of the IRP, including the new Clinical Research Center, in the Roadmap process.
- Actively support efforts of the Advisory Board for Clinical Research (ABCR).
- Monitor NIH working groups of the ABCR established to address NIH recruitment and career tracks; training; and administrative burdens associated with intramural clinical research.
- Implement methods to improve the effectiveness of recruitment, development, and succession planning for key scientific positions within the NIH Intramural Research Program.
- Maintain and monitor a robust NIH biodefense research activity; coordinate with external agencies in homeland security; ensure biodefense projects are on schedule and within budget.
- Continue an aggressive program to construct, renovate and maintain NIH facilities in accordance with departmental facility planning, design and construction policies and practices.
- Through the NIH Obesity Research Task Force, implement a Strategic Plan for NIH Obesity Research and develop an internet website to help apprise investigators of NIH obesity research funding opportunities, meetings, and other relevant NIH obesity information.
- Work with relevant agencies within and outside HHS to support research relevant to obesity that can contribute to improved obesity prevention and treatment.
- Expand availability of electronic progress reporting to all grantee institutions.
- Expand availability of the NIH Commons to institutions/investigators.
- Add at least 2 additional HHS OPDIVs as users of NIH eRA systems.
- Continue development and testing of eRA information tools for NIH-wide disease reporting.
- Continuously monitor the quality of the NIH peer review process.
- Implement NIH programs developed to increase the number of scientists receiving training in technology transfer.
- Maintain NIH ethics advisory committee that reviews outside activity requests.
- Launch the Alzheimer's Disease Neuroimaging Initiative to evaluate neuroimaging modalities and techniques and other biomarkers to be used in early diagnosis.
- Initiate clinical trials of new anti-HIV drugs and/or anti-HIV multidrug regimes in U.S. and international clinical trial sites.
- Develop and begin implementation of a Neuroscience Blueprint to help ensure the funding of high priority initiatives across the agency's research program in this area of science.
- Begin the next generation map of the human genome, a so-called haplotype map ("HapMap"), by identifying the patterns of genetic variation across all human chromosomes.
- Establish the infrastructure for the Stroke Prevention and Intervention Research Program at a minority institution.
- Continue community-based collaborations/partnerships by involving a minimum of six national organizations in SIDS training and educational activities, with emphasis on a special health problem within African-American populations.
- Ensure that the proportion of postdoctoral trainees and fellows applying for and receiving subsequent NIH research grants exceeds relevant comparison groups by 10% within 10 years of termination.

Management Improvement Initiatives

The inherent management responsibilities; see "One HHS" Department-Wide Management Objectives

In addition to the specific program results articulated in this plan, I pledge to "Manage for Results" by implementing the following management improvement initiatives in 2005

1. Implement Results-Oriented Management

- Create meaningful, results-oriented performance contracts for Operating and Staff Division heads and for all employees.
- Establish long-term outcome goals and annual target and report progress in achieving goals and targets in the annual performance budget.

2. Implement Strategic Human Capital Management

- By February 4, 2005, develop and submit to ASAM a 2-year OPDIV-specific human capital strategy to assist managers with succession planning activities.
 - Meet identified goals, milestones and action items.
- Reduce average hiring time for SES and all other positions by 50%. The averages are based on time from closing date of vacancy announcement until hiring offer is made. (OPM has established an average hiring requirement of 30 days for SES positions and 45 days for all other positions.)
- Implement new EEO structure by September 2005. Consolidate NIH's Equal Employment Opportunity (EEO) and Diversity Management programs, and redeploy resources into a centralized NIH office. Support the new EEO structure such that it:
 - Facilitates NIH's compliance with laws and regulations covering the EEO Program, including the requirements specified in the Equal Employment Opportunity Commission's (EEOC) Management Directive 715.
 - Encompasses targeted outreach and recruitment initiatives which facilitate the recruitment and retention of minorities, women, and persons with disabilities at the NIH.
 - Includes a component which evaluates whether the NIH is meeting its EEO and Diversity Management goals and objectives.
- Support mechanisms to hold all NIH executives, managers, and supervisors accountable for accomplishing EEO and Diversity Program objectives in their areas of responsibility, as well as, supporting the success of the new EEO structure.
- Support development of a single Departmental performance appraisal system for managers and implement new system by August 2005.

3. Improve Grants Management Operation and Oversight

- Working in conjunction with NIH: SAMHSA, FDA, and CDC (Research) will replace their legacy grant processing system with eRA/IMPAC II grant processing system by September 30, 2005. Complete the data mapping activity associated with replacing the CDC (Discretionary/ Mandatory) legacy grant processing system with GATES and replacing the HRSA legacy grant processing system with eRA/IMPAC II by September 30, 2005, with system replacement to occur by March 31, 2006, by working in conjunction with ACF and NIH respectively.
- Post a minimum of 25% of the Department's grant application packages on Grants.gov "Apply" and help HHS work toward achieving 6,000 electronic application submissions by September 30, 2005.
- Submit corrective actions, in response to findings resulting from Grant Program Reviews, to OGMP/ASAM within 45 days of issuance of the final report.

4. Complete the FY 2005 Competitive Sourcing Program

- Meet the OMB mandated "Green" Standards for Success
- Submit a complete FAIR Act inventory and Reason Code A justifications to ASAM/OCS by April 29, 2005.
- Complete the FY05 Competitive Sourcing Plan.

5. Improve Information Technology Management

- Initiate implementation of products, services, and policy directives yielded by the Enterprise Initiatives as described in the HHS IT strategic 5 Year Plan.

- Improve FISMA security report for FY05, resulting in zero Significant Deficiencies at the Department and OPDIV levels and a 25% reduction in reportable conditions.
- 100% implementation of automated patch management as determined by the Department, consistent with HHS guidance to OPDIVs.
- Continuity of Operations and Disaster Recovery plan implemented and tested for 100% of systems that are "Major," plus creation of a hosting service, including Continuity of Operations, to be offered for use by non-"Major" business applications by September 30, 2005.
- A Concept of Operations ("CONOPS") document will be available for 100% of "Major" projects by September 30, 2005.

6. Consolidate Management Functions and Achieve Administrative Efficiencies

- Increase by a minimum of three, the number of service (e.g., purchasing supplies, equipment, etc., budget execution) and function (small business) consolidations and/or shared services initiatives. The initiatives may be within NIH or through Department wide participation. In each case, a supportable business case identifying time, cost, and/or service efficiencies will be prospectively documented along with identification of specific post implementation measures of success.
- Establish the NIH ARAC acquisition organizational structure before September 30, 2005. Identify the realigned acquisition offices, staffing and customers accordingly.
- Develop specific measures and reports that provide quantitative and evaluative information for Service Level Agreements.
- Build on the infrastructure provided by enterprise information systems such as UFMS.
- Comply with the implementation of HSPD-12 requirements as required and as directed by the DHHS in coordination with CIT. This includes physical and personnel security elements of HSPD-12 for "smart card" requirements for access to NIH facilities.

7. Improve Financial Management

- Continue Implementation of the NIH Business System (NBS), HHS' proof of concept for the UFMS development.
 - Complete development of Tracks 3 and 4, Property and Acquisition (Supply Chain) and work with the UFMS Program Office (PO) to help insure an understanding of the business process functional requirements.
 - Assist the UFMS PO via the contracted study that will determine the timing and extent of integration of NBS into UFMS.
- Contribute to the reduction of HHS improper payments (IPs) by 50% by reducing IPs at the NIH.
- Take final action on audit management decisions and develop corrective actions that, once completed, will help HHS reduce identified findings by approximately 40% (\$210M).
- Continue to support NIH and HHS administrative restructuring and consolidation of business (administrative management) systems.
 - Develop NBS Tracks 3 and 4 using the same software identified for use by the UFMS PO and assist in HHS' understanding.
 - Support HHS' implementation of eTravel.
 - Assure active NIH participation on UFMS governance committees and working groups.

8. Improve Real Property Asset Management

- For FY05 Buildings and Facilities Program, deliver all line-item projects within 100% of submitted OMB/Congressional budget. Deliver 90% of all line-item projects within submitted OMB/Congressional scope. Remaining projects will be within plus or minus 10% of OMB/Congressional scope. OMB/Congressional budget and scope shall be as reflected in Departmental approved budget and scope.
- Facility Project Approval Agreements approved by September 30, 2005 by OS for 80% of FY06 projects budgeted for planning/design with construction budgeted in subsequent year(s) and 90% of FY06 projects budgeted construction.

- Provide timely reports on facility utilization, facility condition assessment, mission criticality/dependency, historic real property assets, and real property inventory in accordance with stated HHS real property management objectives.
- Complete commissioning of new NIH facilities so that they will be fully and productively operational and maintained within designated parameters.
- Implement HHS-wide Environmental Management System and meeting requirements of Exec Order 13327.

9. Achieve Efficiencies Through HHS-wide Procurements

- NIH will increase its usage of the full portfolio of consolidated contracts; once a consolidated purchasing mechanism is developed, NIH will use it exclusively to purchase 100% of commodity desktop PC's.
- Meet or exceed the HHS Small Business Contracting Goal, which is 30% of our total procurement dollars.

10. Conduct Program Evaluations and Identify Strategies for Resolving Any Deficiencies

- Implement a systematic approach to program evaluation for NIH programs that makes use of internal resources, reciprocal evaluations, and contractors to achieve regular independent and quality evaluations to indicate that the program is effective and achieving results.
- Systematically track and implement PART recommendations through the performance budget process.
 - Identify all significant program deficiencies (as defined in PART) over the next 3 years with action steps specified and timeline to eliminate deficiencies cited.
- Review results of the Acquisition Balanced Scorecard (ABS) for FY 04. Identify performance gaps. Use results to assist in the NIH's ARAC acquisition restructuring and to serve as a reference check for performance.
- Conduct ABS on restructured NIH acquisition offices three years after implementation.
 - Report on progress at least every year.

PROMOTES EQUAL EMPLOYMENT OPPORTUNITY (EEO) AND WORKFORCE DIVERSITY PROGRAMS

Through both personal leadership and appropriate managerial actions, the management official shall:

1. Provide leadership regarding NIH's compliance with laws and regulations covering the EEO Program, including the requirements specified in EEOC's Management Directive 715.
2. Ensure that all NIH executives, managers and supervisors incorporate appropriate EEO and Diversity Management elements into their FY 05 Performance Contracts and Plans.
3. Support outreach activities and partnerships with minority, women and disabled organizations to improve the recruitment and retention of these groups at the NIH.

I hereby commit to achieve these goals and hold myself and my employees accountable for developing and implementing the necessary initiatives to produce these results.

Signed: _____
Elias A. Zerhouni, M.D.

Date